NCA
VOC FOR IOP/FN
BACKGROUNDER NO. 1-0479 MARCH 31, 1976
EDIE APPLE/BRUSSELS

LOME CONVENTION

ANNCR:

THE LOME CONVENTION, THE AGREEMENT LINKING THE NINE MEMBER EUROPEAN COMMON MARKET WITH FORTY-SIX DEVELOPING COUNTRIES IN AFRICA, THE CARIBBEAN AND PACIFIC GOES (WENT) INTO FULL EFFECT THURSDAY, (APRIL 1). FROM BRUSSELS EDIE APPLE SENDS THIS BACKGROUND REPORT.

VOICE:

THE LOME CONVENTION HAS BEEN DESCRIBED AS REVOLUTIONARY, SETTING UP A NEW RELATIONSHIP BETWEEN INDUSTRIALIZED AND DEVELOPING NATIONS. THIS IS BECAUSE THE TREATY, WORKED OUT DURING EIGHTEEN MONTHS OF HARD NEGOTIATIONS, PROVIDES MUCH MORE THAN TRADITIONAL AID. IT GRANTS TRADE CONCESSIONS TO DEVELOPING COUNTRIES WITHOUT RECIPROCITY AND INCLUDES A PROVISION TO HELP STABILIZE THE INCOME DEVELOPING COUNTRIES RECEIVE FROM THE EXPORT OF RAW MATERIALS.

THE LOME TREATY WAS SIGNED MORE THAN ONE YEAR AGO IN THE CAPITAL OF THE WEST AFRICAN COUNTRY OF TOGO. COMMERCIAL PROVISIONS BECAME EFFECTIVE LAST JULY FIRST. THEY PROVIDE THAT ALMOST ALL EXPORTS OF THE FORTY-SIX DEVELOPING NATIONS ENTER THE COMMON MARKET DUTY-FREE AND WITHOUT QUOTAS. EUROPEAN PRODUCTS GOING TO THE DEVELOPING COUNTRIES CAN STILL BE RESTRICTED AS LONG AS THE EUROPEANS ARE TREATED AS WELL AS OTHER INDUSTRIALIZED NATIONS.

OTHER PROVISIONS OF THE TREATY HAD TO WAIT UNTIL ALL THE PARLIAMENTS OF THE COUNTRIES WHO SIGNED IN LOME HAD RATIFIED THE TREATY. NOW THAT THIS HAS HAPPENED, THE COMMUNITY

WILL MAKE USE OF ITS SPECIAL FUND TO COMPENSATE COUNTRIES WHO HAVE LOST INCOME BECAUSE OF FALLING PRICES OF RAW MATERIALS.

THE FIRST REQUEST TO THE EUROPEANS REPORTEDLY CAME FROM ETHIOPIA FOR COMPENSATION FOR A DROP IN EARNINGS FROM COTTON, LEATHER AND HIDES. ANOTHER REQUEST FROM THE PACIFIC COUNTRY OF FIJI ASKS PAYMENT TO MAKE UP FOR LOWER EARNINGS FROM THE SALE OF COPRA OIL. OTHER PRODUCTS ON THE LIST INCLUDE GROUNDNUTS, COCOA, COFFEE, TEA, BANANAS, IRON ORE AND WOOD PRODUCTS. A RECENT DROP IN THE PRICE OF MANY OF THESE PRODUCTS, PARTICULARLY LOWER TIMBER PRICES, MAY CAUSE PROBLEMS FOR THE COMMUNITY. APPLICATIONS ARE EXPECTED FROM AT LEAST FIFTEEN COUNTRIES. AND THE LEGITIMATE DEMANDS MAY EXCEED THE FOUR HUNDRED FIFTY MILLION DOLLARS NOW IN THE FUND.

THE FIVE YEAR TREATY ALSO PROVIDES FOR DEVELOPMENT AID, WITH PRIORITY TO BE GIVEN TO THE TWENTY-FOUR POOREST COUNTRIES, AND INDUSTRIAL COOPERATION PRIMARILY BETWEEN THE DEVELOPING COUNTRIES AND PRIVATE EUROPEAN CONCERNS.

IT ALSO PROVIDES FOR A PERMANENT COMMITTEE OF AMBASSADORS TO OVERSEE ITS OPERATIONS, REGULAR MINISTERIAL MEETINGS AND A CONSULTATIVE ASSEMBLY MADE UP OF LEGISLATORS FROM THE EUROPEAN PARLIAMENT AND ALL FORTY-SIX DEVELOPING COUNTRIES. THE FIRST MINISTERIAL MEETING TENTATIVELY SCHEDULED FOR FIJI IN JUNE WILL HAVE TO DECIDE WHAT ADDITIONAL COUNTRIES CAN JOIN THE AGREEMENT. ANY INDEPENDENT COUNTRY IN AFRICA SOUTH OF THE SAHARA IS ELIGIBLE. ANGOLA AND MOZAMBIQUE ARE BEING ENCOURAGED TO APPLY. AND IT ALREADY HAS BEEN DECIDED THAT NEWLY INDEPENDENT PAPUA-NEW GUINEA CAN JOIN. BUT SOME EUROPEAN COUNTRIES, PARTICULARLY FRANCE, WANT STRICT LIMITATIONS ON WHO ELSE IS LET IN. -O- GH/RTD